

RESOLUTION NO. _____

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF TAFT, APPROVING ZONING ORDINANCE AMENDMENT NO. 2017-14, AMENDING CHAPTERS 4, 5, 6, AND 7, AND ADDING SECTION 6-12-31 TO TITLE 6 OF THE TAFT MUNICIPAL CODE REGARDING PERSONAL AND COMMERCIAL CANNABIS PERMITTING AND REGULATIONS

WHEREAS, on October 9, 2015, the State of California approved the Medical Marijuana Regulation and Safety Act (“**MMRSA**”), effective January 1, 2016, which establishes a comprehensive State of California licensing and regulatory framework for the cultivation, manufacturing, testing, distribution, transportation, dispensing, and delivery of medical cannabis, and which recognizes the authority of local jurisdictions to prohibit or impose additional restrictions on any such medical cannabis activity.

WHEREAS, on June 27, 2016, the state legislature approved Senate Bill number 837 (“**SB 837**”), effective immediately, which amends the MMRSA and renames it the Medical Cannabis Regulation and Safety Act (“**MCRSA**”).

WHEREAS, on November 9, 2016, the Adult Use of Marijuana Act (“**AUMA**”) was passed into law as a voter initiative by the voters of the State of California.

WHEREAS, the AUMA legalizes the non-medical adult use of marijuana by adults age 21 and over, imposes taxes on the retail sale and cultivation of marijuana, and reduces penalties for marijuana-related crimes.

WHEREAS, the City of Taft (“**City**”) wishes to establish Chapter 21 of Title 4 to the City Municipal Code (“**MC**”) to create a comprehensive regulatory framework for medical and non-medical adult use cannabis and to reflect SB 837’s changes to the MCRSA and the passage of AUMA.

WHEREAS, it is the purpose and intent of the City to regulate Cannabis in a manner that is consistent with California law and promotes the health, safety, and general welfare of the residents and businesses within the City, while limiting any negative impacts.

WHEREAS, the City desires to reduce the illegal market for Cannabis while minimizing the chances of social harm and creating jobs and tax revenue for the City.

WHEREAS, nothing in this Ordinance shall be construed to allow persons to engage in conduct that violates the law, endangers others, causes a public nuisance, allows the illegal use or diversion of Cannabis, or allows any activity relating to Cannabis that is otherwise illegal under California state law, as amended, except to the extent otherwise specifically set forth.

WHEREAS, the Planning Commission reviewed and commented on a draft ordinance amending Chapters 4, 5, 6, and 7, and adding Section 6-12-31 of Title 6 of the Taft Municipal Code at its regular meeting on September 6 and October 4, 2017; and

WHEREAS, the Planning Commission studied and considered the written findings for approval of Zoning Ordinance Amendment No. 2017-14, City Staff's written and oral reports, and all public testimony before making a decision on this request; and

WHEREAS, the laws and regulations relating to the preparation and adoption of environmental documents, as set forth in the State Guidelines Implementing the California Environmental Quality Act have been adhered to; and

WHEREAS, the Planning Commission has fully considered this request and the potential environmental effects.

NOW, THEREFORE, THE PLANNING COMMISSION DOES HEREBY FIND, DETERMINE, RESOLVE, AND RECOMMEND AS FOLLOWS:

1. The proposed amendment is consistent with the goals, objectives, policies, and programs of the General Plan and is necessary and desirable to implement the provision of the General Plan; and
2. The proposed amendment will not adversely affect the public health, safety, and welfare or result in an illogical land use pattern; and
3. The proposed amendment is consistent with the purpose and intent of the remainder of this Zoning Ordinance not under consideration; and
4. The potential environmental impacts of the proposed amendment are insignificant, have been mitigated, or there are overriding considerations that outweigh the potential impacts; and
5. The proposed amendment is exempt from the California Environmental Quality Act pursuant to Section 15061(b)(3) of the California Environmental Quality Act Guidelines because the Code Amendment will have no significant effect on the environment.

SECTION 1. The following amendment of Chapter 4 of Title 6 shall be recommended to the City Council of the City of Taft as follows:

6-4-3: USE REGULATIONS:

(A) Table 4.A Scope: Table 4.A of this section identifies those land uses or activities that may be permitted in each of the residential zone districts, subject to the provisions of this chapter, other provisions of this title, and applicable general plan policies. Table 4.A of this section also identifies, by zone district, those land uses and activities that are permitted subject to an approved conditional use permit, or are prohibited.

(B) Special Use Regulations:

1. Animals Within Residential Zone Districts:

- (a) It is the general intent of the city to permit the keeping of animals within the city without the creation of a nuisance to surrounding residents and visitors. Animals that may be kept within residential districts are identified in section [6-12-4](#) of this title. Animals not listed in section [6-12-4](#) of this title may be permitted in residential districts, subject to city review and confirmation that a nuisance condition will not be created.
 - (b) In addition to the provisions of section [6-12-4](#) of this title, all animals, excluding household pets, shall be kept a minimum distance of fifty feet (50') from any street. The location of corrals, fenced enclosures, barns, stables or other enclosures used to confine all such animals shall also conform to this requirement.
2. **Equipment And Devices:** In all residential districts, air conditioners, heating, cooling, ventilating, pool, spa, sauna, or similar mechanical equipment, as well as lighting or electrical devices, shall be located to minimize impact to the peace, quiet and comfort of neighboring residents and shall be screened, where possible, from surrounding properties and streets. All equipment shall be installed and operated in accordance with [chapter 11](#) of this title and all other applicable city ordinances, standards and regulations, and shall be subject to approval by the building official prior to installation.
 3. **Landscaping:** In R-1, R-2 and R-3 zone districts, for development of four (4) or more dwelling units, required front and street side yards shall be landscaped, and shall consist predominantly of drought tolerant plant materials, except for necessary walks, drives and fences.
 4. **Front Setback Protrusions:** No portion of any building may protrude into the front setback unless the following conditions are met:
 - (a) Architectural projections, such as porch roofs, awnings, canopies and roof overhangs may project over the required front yard setback, but not more than ten percent (10%) thereof.
 - (b) Uncovered porches, platforms or landing places that do not extend above the level of the first floor of the building may extend into any front yard not more than six feet (6'), an openwork railing not more than thirty inches (30") in height may be installed or constructed on any such porch, platform or landing place. (Ord. 805-14, 7-1-2014)

**TABLE 4.A
USES PERMITTED WITHIN RESIDENTIAL DISTRICTS**

Legend:

P = Permitted subject to consistency assessment

C = Permitted subject to approval of a conditional use permit application

X = Prohibited

Use	RS	R-1	R-2	R-3

Accessory uses:				
Accessory uses and structures located on the same site as a permitted use	P	P	P	P
Accessory uses and structures located on the same site as a use permitted subject to a conditional use permit	C	C	C	C
Antennas and satellite dishes, subject to section 6-12-8 of this title	P	P	P	P
Dormitories accessory to educational institutions	C	C	C	C
Feed and tack stores accessory to commercial stables	C	X	X	X
Guest quarters/second unit, subject to the provisions of section 6-12-22 of this title	P	P	n/a	n/a
<u>Personal Use of Cannabis and Cannabis Products, subject to provisions of 6-4-5 of this title</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>
Private garage	P	P	P	P
Private swimming pool, tennis court	P	P	P	P
Recreational vehicle storage yard (associated with residential development)	C	C	C	C
Commercial uses:				
Equestrian centers, riding academies and commercial stables, when associated with an equestrian subdivision	C	C	X	X
Hotels, motels	X	X	X	C
Medical marijuana dispensaries	X	X	X	X
Oil and gas exploration and production	C	C	C	C
Parking lots on a parcel adjacent to and for the use of a commercial property where inadequate parking exists	C	C	C	C
Yard or garage sales	P	P	P	X
Home occupations:				
Home occupations (subject to the provisions of section 6-12-18 of this title and the issuance of a home occupation permit)	P	P	P	P
Public/quasi-public uses:				
Churches	C	C	C	C

Clubs, lodges, fraternities and sororities	C	C	C	C
Daycare facilities (per state law)	P	P	P	P
Educational institutions (public and private)	C	C	C	C
Fire and police stations	C	C	C	C
Post office branch	C	C	C	C
Public libraries and museums	X	C	C	C
Public parks and recreation, unless project otherwise entails a public hearing, then permitted	C	C	C	C
Public utility and public service substations, reservoirs, drainage sumps, pumping plants, transmission lines and similar installations, not including public utility offices, unless project otherwise entails a public hearing	C	C	C	C
Recreational facilities (e.g., country clubs, golf courses), including recreational uses commonly associated with and directly related to the primary use	C	C	C	C
Residential uses:				
Bed and breakfast inn	C	C	C	C
Board and care facility (12 or more residents)	X	X	C	C
Boarding/rooming house (7 or more residents)	X	X	C	C
Convalescent care	X	C	C	C
Emergency shelter	X	X	P	X
Mobilehome park	X	C	C	X
Mobilehome subdivision	C	C	C	X
Multi-family dwellings	X	X	P	P
Senior congregate care, assisted living	X	C	C	C
Senior independent living	X	C	C	C
Single-family dwelling:				
Second single-family dwelling (per section 6-12-22 of this title)	P	P	n/a	n/a
Single-family dwelling	P	P	P	X

Supportive housing	P	P	P	P
Transitional housing	P	P	P	P
Temporary uses:				
Temporary uses (subject to the provisions of section 6-2-10 of this title and the issuance of a temporary use permit)	P	P	P	P
Other uses similar to and no more objectionable than the uses identified above, subject to approval of the planning commission				

(Ord. 805-14, 7-1-2014; amd. Ord. 812-15, 7-7-2015)

6-4-5: PERSONAL USE OF CANNABIS AND CANNABIS PRODUCTS

(A) Purpose: The purpose and intent of this Section is to permit and regulate the personal use of cannabis and cannabis products in order to promote the health, safety, and general welfare of the residents within the City. Personal individual cannabis use shall comply with California Proposition 64, known as the Adult Use of Marijuana Act (AUMA), pursuant to California Health and Safety Code Sections 11362.1 through 11362.45.

(B) Authority: Authority of approval of personal use of cannabis and cannabis products shall be vested with the Planning Director and Chief of Police.

(C) Application: An application for personal use of cannabis and cannabis products shall be filed with the Planning Department in a manner prescribed by the Planning Director.

(D) Definitions: For purposes of this section, please refer to the Definitions listed in Section 6-12-31(B) of this title.

(E) Personal Use of Cannabis and Cannabis Products: To the extent that the following activities are permitted by State law, nothing in this section shall prohibit a person 21 years of age or older from:

1. Possessing, processing, purchasing, transporting, obtaining or giving away to persons 21 years of age or older, without compensation whatsoever, not more than 28.5 grams of cannabis not in the form of concentrated cannabis;
2. Possessing, processing, purchasing, transporting, obtaining or giving away to persons 21 years of age or older, without compensation whatsoever, not more than eight (8) grams of cannabis in the form of concentrated cannabis, including as contained in cannabis products;
3. Smoking or ingesting cannabis or cannabis products in a manner consistent with California Health and Safety Code Section 11362.3

4. Engaging in the indoor cultivation of six or fewer live cannabis plants within a single private residence or inside an accessory structure located upon the grounds of a private residence that is fully enclosed and secured, to the extent such cultivation is authorized by California Health and Safety Code Sections 11362.1 and 11362.2, and to the extent that the cultivation complies with Section F below.

(F) Indoor Cannabis Cultivation: Cannabis cultivation shall only occur indoors at a private residence, or inside an accessory structure located upon the grounds of a residence, in strict conformance with the following standards:

1. Only a person who is at least 21 years of age or older may cultivate cannabis.
2. Cannabis cultivation is permitted only within a fully enclosed and secure structure(s).
3. The fully enclosed and secure structure(s) shall be located in the rear yard area of the parcel or premises, and must maintain a minimum ten-foot setback from any property line. The yard where the fully enclosed and secure structure is maintained must be enclosed by a solid fence at least six feet (6') in height. This provision does not apply to cultivation occurring in a garage.
4. Cannabis cultivation areas shall not be accessible to persons under 21 years of age. Cultivation areas shall be secured by lock and key or other security device which prevents unauthorized entry.
5. Cannabis cultivation shall be limited to six (6) plants total, regardless of how many persons over the age of 21 reside at the private residence.
6. Cannabis cultivation shall only take place on impervious surfaces.
7. The use of gas products (CO₂, butane, etc.) or CO₂ and Ozone generators for cannabis cultivation or processing is prohibited.
8. The use of cannabis extraction and concentration techniques, including but not limited to butane, CO₂ or ethanol, to manufacture concentrated cannabis is strictly prohibited.
9. Cannabis cultivation shall not be visible from the public right of way or any privately owned place open to the public.
10. The private residence shall remain at all times a residence, with legal functioning cooking, sleeping and sanitation facilities with proper ingress and egress. The foregoing rooms and areas shall not be used for cannabis cultivation where such cultivation will prevent their primary use for cooking of meals, sleeping and bathing, or any other residential purpose for which the rooms, space or area was intended.
11. Any structure used for cultivation of cannabis shall not become a public nuisance to surrounding properties or the public. A public nuisance may be deemed to exist if the

cultivation produces odors which are detectable to people of normal sensitivity residing or present on adjacent or nearby property or on a public right of way. No person shall cultivate cannabis in any manner that causes any other the following conditions: light, glare, heat, odor, noise, mold or vibration that is or whose effect is either detrimental to public health, safety, or welfare or that interferes with the reasonable enjoyment of life or property.

12. A portable fully functional fire extinguisher, that complies with the regulations and standards adopted by the state fire marshal and applicable law, shall be kept in the residence.

13. Cultivation of cannabis shall not displace required off street parking for the private residence.

14. All electrical equipment used in the cultivation of cannabis (e.g. lighting and ventilation) shall be plugged directly into a wall outlet or otherwise hardwired.

15. Prior to performing any work on electrical wiring in or upon the residence, including any modifications, repair or rewiring, the property owner shall first obtain a building permit, as required, from the Building Department.

SECTION 2. The following amendment of Chapter 5 of Title 6 shall be recommended to the City Council of the City of Taft as follows:

6-5-3: USE REGULATIONS:

Identified on table 5.A of this section are those land uses or activities that may be permitted in each commercial zone district, permitted subject to an approved conditional use permit or prohibited. This table also indicates the development procedure and the approval type by which each listed land use or activity may be permitted in each commercial zone district. (Ord. 805-14, 7-1-2014)

TABLE 5.A
USES PERMITTED WITHIN COMMERCIAL ZONE DISTRICTS

Legend:

P = Permitted subject to consistency assessment

C = Permitted subject to approval of a conditional use permit application

X = Not permitted in this district

Use	MU	GC	DC
Accessory uses:			
Accessory uses and structures located on the same site as a permitted use	P	P	P

Use	MU	GC	DC
Accessory uses and structures located on the same site as a use permitted subject to a conditional use permit	C	C	C
Commercial uses:			
Adult entertainment	X	X	X
Agricultural	X	X	X
Ambulance service	P	C	X
Antique shops	P	P	P
Apparel stores (sales)	P	P	P
Appliance stores and repair	P	P	P
Arcades	C	C	C
Art galleries, music, dance studios, photographic studios and supply stores	P	P	P
Auction houses	X	C	X
Auto supply store	P	P	P
Automobile repair	C	C	C
Automotive and light truck sales/service	C	P	C
Automotive dealerships subject to section 6-12-10 of this title	C	P	X
Automotive paint and body	X	C	X
Automotive rental agencies (excluding outdoor storage)	P	P	P
Automotive rental agencies (including outdoor storage)	C	C	C
Automotive washing (self- or full service)	X	P	X
Bail bond services	P	P	X
Bakeries (retail)	P	P	P
Barber and beauty shops	P	P	P
Bicycle shops (nonmotorized)	P	P	P
Blueprint and photocopy services	P	P	P

Use	MU	GC	DC
Boat and RV (sales only)	C	P	X
Book, gifts and stationery stores	P	P	P
Building materials sales/home improvement (indoors)	P	P	P
Building materials sales/outdoor storage (masonry, sand, gravel)	C	C	C
Camera shops	P	P	P
Candle shops	P	P	P
Candy stores and confectioneries	P	P	P
<u>Cannabis Cultivation, Outdoor (License Types 1, 2, 3, 4, and 5)</u>	<u>X</u>	<u>X</u>	<u>X</u>
<u>Cannabis Cultivation, Indoor (License Types 1A/B, 2A/B, 3A/B, and 5A/B)</u>	<u>X</u>	<u>X</u>	<u>X</u>
<u>Cannabis Distribution (License Type 11)</u>	<u>X</u>	<u>X</u>	<u>X</u>
<u>Cannabis Manufacturer 1 (License Type 6)</u>	<u>X</u>	<u>X</u>	
<u>Cannabis Manufacturer 2 (License Type 7)</u>	<u>X</u>	<u>X</u>	<u>X</u>
<u>Cannabis Microbusiness (License Type 12)</u>	<u>X</u>	<u>X</u>	<u>X</u>
<u>Cannabis Retail Sales/Dispensary (License Type 10)</u>	<u>X</u>	<u>X</u>	<u>X</u>
<u>Cannabis Testing Facility (License Type 8)</u>	<u>X</u>	<u>X</u>	<u>X</u>
Catering establishments	P	P	P
Cemetery (human)	X	X	X
Cleaning and pressing establishments	P	P	P
Clothing and costume rental	P	P	P
Cocktail lounge/bar, including upgrading an existing ABC license (e.g., beer and wine to a hard liquor license) (refer to section 6-12-5 of this title)	C	C	C
Commercial recreational facilities (indoor)	P	P	P
Commercial recreational facilities (outdoor)	C	C	C
Communication and telecommunication facilities (radio and television)	C	C	C

Use	MU	GC	DC
Convenience store (including alcohol sales)	C	C	C
Convenience store (no alcohol sales)	P	P	P
Dairy products stores	P	P	P
Department stores	P	P	P
Drapery and decorating shops	P	P	P
Dress making shops	P	P	P
Drive-in/through businesses, including theaters and restaurants	C	C	C
Driving schools	P	P	P
Drugstore/pharmacy	P	P	P
Electronic coin operated games (commercial operated) 5 or more games (subject to section 6-12-9 of this title)	C	C	C
Electronic coin operated games (commercial operated) less than 5 games	P	P	P
Feed and tack stores	P	P	P
Fireworks stand, subject to the provisions of section 6-12-17 of this title	P	P	P
Floor covering stores (may include incidental repair)	P	P	P
Floral shops	P	P	P
Food stores and supermarkets	P	P	P
Furniture stores, repair and upholstery	P	P	P
General retail stores	P	P	P
Hardware stores (no outdoor storage)	P	P	P
Hardware stores (outdoor storage)	C	C	C
Health clubs, dance studios, martial arts, weight training and similar uses	P	P	P
Hobby shops	P	P	P
Home improvement (indoor)	P	P	P

Use	MU	GC	DC
Home improvement (outdoor)	C	C	C
Hookah lounges	X	X	X
Hotels and motels	P	P	C
Insurance services	P	P	P
Internet cafe	P	P	P
Janitorial services and supplies	P	P	P
Jewelry stores	P	P	P
Kiosks (parking lot film processing and key shops)	P	P	P
Laundry pick up and delivery agencies and self-service laundries (includes diaper service)	P	P	P
Liquor stores	C	C	C
Locksmith shops	P	P	P
Massage therapist (subject to provisions of title IV, chapter 20 of this code)	P	P	P
Meat markets	P	P	P
Medical marijuana dispensaries	X	X	X
Mini-storage (for public use)	C	P	X
Miniature golf courses	C	P	C
Mortgage services	P	P	P
Mortuaries	C	C	C
Motorcycle shops (sales and service)	P	P	C
Music stores	P	P	P
Newspaper and magazine stores	P	P	P
Nurseries and garden supply stores (provided all equipment and supplies are kept within a building or fenced enclosed area)	P	P	P
Office and business machines stores (sales, service and repair)	P	P	P

Use	MU	GC	DC
Paint and wall covering stores	P	P	P
Parking facilities (off site)	C	P	C
Pet shops	P	P	P
Plumbing shops and supplies	P	P	P
Political or philanthropic headquarters	P	P	P
Pottery sales	P	P	P
Printing and copy shops (other than newspaper)	P	P	P
Real estate services	P	P	P
Recycling collection facilities, including reverse vending machines and small collection facilities	P	P	P
Restaurants, other than fast food (refer to section 6-12-5 of this title):			
With entertainment and/or serving alcoholic beverages, including upgrading an existing ABC license (e.g., beer and wine to a hard liquor license)	C	C	C
Without entertainment and/or serving alcoholic beverages	P	P	P
Secondhand stores/pawnshops	P	P	P
Service stations (automotive, with convenience store, with or without alcoholic beverage sales)	C	C	C
Service stations (automotive, without convenience sales) subject to section 6-12-24 of this title	P	P	P
Shoe stores (repairs)	P	P	P
Shopping centers	X	P	X
Sign painting shops within a completely enclosed building	P	P	P
Smoking lounge, private (subject to provisions of section 6-12-29 of this title)	C	C	C
Sporting goods store	P	P	P
Stamp and coin shops	P	P	P
Stationery stores	P	P	P

Use	MU	GC	DC
Statue shops	P	P	P
Surveying services	P	P	P
Swimming pool and spa (sales, service and supply)	P	P	P
Tailor shops	P	P	P
Tattoo parlor	C	C	C
Taxidermists (no processing)	P	P	P
Telegraph offices	P	P	P
Televisions (radio sales and repair)	P	P	P
Theaters, including both motion picture and live performing arts	C	C	C
Tire sales and service	C	C	C
Tobacco shop (subject to provisions of section 6-12-29 of this title)	C	C	C
Toy stores	P	P	P
Travel agencies	P	P	P
Truck storage yard when adjacent to industrial zone district	X	C	X
Upholstering shops (indoor only)	P	P	P
Variety stores	P	P	P
Veterinary offices and animal hospitals, including exterior kennels, pens or runs	X	C	X
Manufacturing uses:			
Oil and gas exploration and production, subject to the provisions of chapter 10 of this title	C	C	C
Office and related uses:			
Administrative and executive offices	P	P	P
Artist and photographic studio, including sale of equipment or supplies	P	P	P
Clerical and professional offices	P	P	P

Use	MU	GC	DC
Financial services and institutions	P	P	P
Medical, dental and related health services for humans, including clinics, laboratories and the sale of articles clearly incidental to services provided	P	P	P
Public and quasi-public uses:			
Auditoriums	C	C	C
Churches, synagogues, mosques, temples	C	C	C
Clubs, lodges, fraternities and sororities	C	C	C
Communication and telecommunication facilities (not including radio and television)	C	C	C
Convalescent homes, hospitals	C	C	C
Convention hall, trade show, exhibit building with incidental food services	C	C	C
Dances, per title IV, chapter 6 of this code	C	P	C
Day nurseries, nursery schools and childcare facilities per state law	C	C	C
Educational institutions (including public or private vocational schools)	C	C	C
Fire and police stations	P	P	P
Post offices	P	P	P
Public administration buildings and civic centers	P	P	P
Public libraries and museums	P	P	P
Public parks and recreation facilities (public or private)	P	P	P
Public utilities and public service substations, reservoirs, pumping plants and similar installations, not including public utility offices, unless project otherwise entails a public hearing, then permitted	C	C	C
Public utility services offices	P	P	P
Recreational vehicle parks	C	C	X
Residential care facility (per state law)	C	C	C

Use	MU	GC	DC
Transportation facilities	C	C	C
Residential uses:			
Emergency shelters	X	X	X
Multi-family residential dwellings	C	X	C
Residence in conjunction with a business	C	X	C
Single-family residential dwellings	X	X	X
Supportive housing	C	X	C
Transitional housing	C	X	C
Temporary uses:			
Temporary uses as prescribed in section 6-2-10 of this title, are permitted subject to issuance of a temporary use permit	P	P	P
Other uses similar to, and no more objectionable than, the uses identified above, shall be reviewed per the process required by the similar use, as determined by the planning commission			

SECTION 3. The following amendment of Chapter 6 of Title 6 shall be recommended to the City Council of the City of Taft as follows:

6-6-3: USE REGULATIONS:

- (A) Identified in table 6.A of this section are those land uses or activities which may be permitted in the industrial zone district, subject to the provisions of this title and applicable general plan policies. This table also indicates development procedure and approval type by which each listed land use or activity may be permitted in the industrial zone district.
- (B) Land uses within the industrial zone district shall meet the provisions of the section [6-11-11](#), "Hazardous Materials Management", of this title, and all applicable local, state and federal hazardous materials legislation, in addition to the provisions of this chapter.
- (C) If permitted, land uses within the industrial zone district which are or would be deemed "hazardous materials handlers or generators", as defined in the county hazardous waste management plan, shall be subject to section [6-2-5](#), "Conditional Use Permit", of this title, notwithstanding the application process which may be specified in this chapter. (Ord. 805-14, 7-1-2014)

TABLE 6.A

USES PERMITTED WITHIN THE INDUSTRIAL ZONE DISTRICT

Legend:

P = Permitted subject to consistency assessment

C = Permitted subject to approval of a conditional use permit application

X = Prohibited

Industrial Uses		I
Accessory uses:		
Accessory uses and structures located on the same site as a permitted use		P
Accessory uses and structures located on the same site as a use permitted subject to a conditional use permit		C
Watchman/caretaker living quarters only when incidental to and on the same site as a permitted or conditional use (where 24 hour surveillance is required)		C
Commercial uses and services:		
Adult entertainment (as provided in section 6-12-3 of this title)		P
All uses either permitted or conditionally permitted in the commercial districts, except residential uses (unless otherwise specified in this table)		P
Auction house		P
Automotive fleet storage		P
Automotive repair (minor)		P
Automotive sales, service and rental agencies		P
Automotive, truck, bus and recreational vehicular repair (major)		C
Bakery shops (retail and wholesale)		P
Barber and beauty colleges		P
Blueprinting and photocopying		P
Boat and camper sales, manufacture and repairs		P
<u>Cannabis Retail Sales/Dispensary (License Type 10)</u>		<u>X</u>
Car wash (self- or full service)		P
Cleaning and pressing establishments		P

Industrial Uses	I
Cocktail lounge/bar, including upgrading existing ABC license (e.g., beer and wine to hard liquor license) (refer to section 6-12-5 of this title)	C
Commercial recreational facilities (indoor)	P
Commercial recreational facilities (outdoor)	C
Communication and telecommunications facilities (radio and television)	C
Driving schools	P
Exterminators	P
Fruit and/or vegetable stand	X
Furniture stores (sales, manufacture, repair and upholstery)	P
Glass shops and glass studio	P
Hookah lounges	X
Hotels and motels	C
Kennel and catteries	C
Lumber and building material yards	P
Medical marijuana dispensaries	X
Mortuaries	C
Newspaper and magazine ships (printing and publishing)	P
Parking facilities, commercial	P
Plumbing shops and supplies	P
Printing and copy shops	P
Recycling facilities (large collection facilities and processing facilities)	C
Restaurants (including drive-through)	P
Restaurants other than fast food (refer to section 6-12-5 of this title):	
With entertainment and/or serving alcoholic beverages, including upgrading an existing ABC license (e.g., beer and wine to a hard liquor license)	C
Without entertainment and/or serving alcoholic beverages	P

Industrial Uses		I
Service stations (subject to section 6-12-24 of this title)		C
Sign painting shops		P
Smoking lounge, private (subject to provisions in section 6-12-29 of this title)		C
Tattoo parlors		P
Tire retreading and recapping		C
Tire shops (retail and service)		P
Tobacco shop (subject to provisions of section 6-12-29 of this title)		C
Truck wash		C
Vending machine service and repair		P
Veterinary offices and animal hospitals, including exterior kennels, pens or runs		C
Manufacturing uses:		
Bakery/food preparation		P
Batch plants		C
Bottling plants		P
Cannabis Cultivation, Outdoor (License Types 1, 2, 3, 4, and 5)		X
Cannabis Cultivation, Indoor (License Types 1A/B, 2A/B, 3A/B, and 5A/B)		<u>C</u>
Cannabis Distribution (License Type 11)		<u>C</u>
Cannabis Manufacturer 1 (License Type 6)		<u>C</u>
Cannabis Manufacturer 2 (License Type 7)		<u>C</u>
Cannabis Microbusiness (License Type 12)		X
Cannabis Testing Facility (License Type 8)		<u>C</u>
Carpenter and cabinet shops		P
Cement products manufacturing		C
Electronics: electrical and related parts; electrical appliances, motors and devices; radio, television, computers		P

Industrial Uses		I
Fruit, vegetable and plant products processing, and retail services, including cold storage, packing, preserving, canning and shipping		P
Furniture upholstery		P
Instruments: electronic and precision; medical and dental; timing and measuring		P
Laboratories: chemical, dental, electrical, optical, mechanical and medical		P
Manufacture and maintenance of electrical and other signs		P
Manufacturing, compounding, assembly or treatment of articles or merchandise from the following previously prepared typical materials: canvas, cellophane, cloth, cork, felt, fiber, fur, glass, leather, paper (no milling), precious or semiprecious stones or metals, plaster, shells, textiles, tobacco, wood and yarns		P
Office and related machinery: audio machinery, visual and electrical equipment machinery		P
Oil and gas exploration and production, subject to provisions of chapter 10 of this title		P
Pharmaceuticals: cosmetics, drugs, perfumes, toiletries and soap (not including refining or rendering of fats or oils)		P
Processing frozen food products		P
Rubber and metal stamp manufacturing		C
Welding shops		C
Office and related uses:		
Administrative and executive offices (incidental to primary use)		P
Clerical and professional offices (incidental to primary use)		P
Financial/mortgage services and institutions		P
Medical, dental and related health services for humans, including laboratories, clinics and the sale of articles clearly incidental to the services provided		P
Industrial uses:—		-
Prescription pharmacies when located within a building containing the offices of medical practitioners		P
Public and quasi-public uses:		
Bus, rail, rail freight classification or switching yard, rail spurs and taxi stations		P

Industrial Uses		I
Churches, clubs, lodges, fraternities and sorority headquarters		C
Day nurseries, nursery schools and childcare facilities, per state law		C
Educational institutions, museums, public libraries		C
Fire and police facilities		P
Postal services		P
Public administration buildings		P
Public utility and public service substations, reservoirs, drainage sumps, pumping plants, transmission line and similar installations, not including public utility offices, unless project otherwise entails a public hearing, then permitted		C
Public utility services offices		P
Recreational facilities (e.g., golf courses, parks)		C
Temporary uses:		
Temporary uses as prescribed in section 6-2-10 , "Temporary Use Permit", of this title and based upon issuance of a temporary use permit		P
Wholesale uses and warehousing:		
General wholesale, storage and distribution, including warehousing, storage, freight handling, shipping		P
Mini-storage, self-storage units (commercial)		P
Recreational vehicle storage (screening of outdoor storage required)		P
Vehicle storage/towing services (screening of outdoor storage required)		P
Vehicle wrecking and storage (screening of outdoor storage required)		C
Warehousing from the premises of unfinished, raw and semirefined products requiring further processing, fabrication or manufacturing; contractors' storage yards, including the storage of equipment, materials and vehicles for the construction industry (screening of outdoor storage required); truck terminals, outdoor storage yards		P
Other uses similar to, and no more objectionable than, the uses identified above, may be permitted subject to approval by the planning commission		

SECTION 4. The following amendment of Chapter 7 of Title 6 shall be recommended to the City Council of the City of Taft as follows:

6-7-3: USE REGULATIONS:

Identified on table 7.A of this section are those land uses or activities that may be permitted within the agricultural zone district, subject to the provisions of this title and applicable general plan policies. Table 7.A of this section also indicates the development procedure and the approval type by which each listed land use or activity may be permitted in an agricultural zone district. (Ord. 805-14, 7-1-2014)

**TABLE 7.A
USES PERMITTED WITHIN THE AGRICULTURAL DISTRICT**

Legend:

P = Permitted subject to consistency assessment

C = Permitted subject to approval of a conditional use permit application

X = Not permitted in this district

Agriculture Uses	Condition Of Use ^Δ
Agricultural:	
Agricultural chemical storage and repackaging	C
Agricultural services, when incidental and secondary to the primary use of the premises for agriculture	P
Agricultural trucking facilities	C
Alcohol distillery	C
Animal products processing, including meat packing, canning and shipping when the livestock is produced or grown by the owner of the processing facility on the premises or on land leased, rented or owned by the owner of the processing facility and within a reasonable distance of the facility	C
Beef cattle or livestock grazing	P
Beekeeping	P
Berry crops	P
Biomass energy conversion	C
Birds, including show or racing pigeons and other small fowl	P
Brewery	C
<u>Cannabis Cultivation, Outdoor (License Types 1, 2, 3, 4, and 5)</u>	<u>X</u>

Agriculture Uses	Condition Of Use A
<u>Cannabis Cultivation, Indoor (License Types 1A/B, 2A/B, 3A/B, and 5A/B)</u>	<u>C</u>
<u>Cannabis Distribution (License Type 11)</u>	<u>C</u>
<u>Cannabis Manufacturer 1 (License Type 6)</u>	<u>X</u>
<u>Cannabis Manufacturer 2 (License Type 7)</u>	<u>X</u>
<u>Cannabis Microbusiness (License Type 12)</u>	<u>X</u>
<u>Cannabis Testing Facility (License Type 8)</u>	<u>X</u>
Christmas trees	P
Cold storage facility for agricultural products	P
Contract harvesting	P
Cotton gin	C
Creamery	C
Dairy	X
Dairy stock grazing	X
Farm machinery and equipment repair	P
Field crops, dryland	P
Field crops, irrigated	P
Fish and frog farms	P
Flour mill	C
Flowers and horticulture specialties, wholesale only	P
Fruit, vegetable and plant products processing, including freezing, packing, preserving and shipping	P
Glucose processing	C
Grain elevator or storage	C
Hogs, hog farm or ranch	X
Honey extraction	P

Agriculture Uses	Condition Of Use ^A
Horses, donkeys, llamas or mules	P
Livestock feedlot or stock auction or sales yard for hoofed animals	X
Oil or mineral extraction	P
Poultry, including hatching, breeding, butchering, processing or shipping of chickens, ostriches, emus, turkeys or other fowl or poultry, including eggs	X
Rabbits or fur bearing animals	P
Row crops	P
Saw or planing mill	C
Sheep or goats farm	X
Tasting room, when accessory to an existing winery or brewery	P
Winery or brewery	C
Wool pulling and scouring	C
Commercial:	
<u>Cannabis Retail Sales/Dispensary (License Type 10)</u>	<u>X</u>
Fireworks stand, subject to the provisions of section 6-12-17 of this title	P
Fruit stand, permanent	P
Fruit stand, temporary, pursuant to this chapter	P
Medical marijuana dispensaries	X
Veterinary, large animal	P
Educational institutions and schools:	
College or university	C
Elementary school	C
Junior high school	C
Preschool	C
Senior high school	C

Agriculture Uses		Condition Of Use^A
Institutional:		
Cemetery, mausoleum, columbarium, mortuary or crematory		C
Charitable or public service organization		C
Church		C
Fire or police station		P
Government office or building		P
Public agency or public utility buildings and facilities		P
Rehabilitation facilities		C
Water treatment plant, unless project otherwise entails a public hearing, then permitted		C
Zoo		C
Miscellaneous:		
Accessory structures and uses located on the same site as a conditionally permitted use		C
Accessory structures and uses located on the same site as a permitted use		P
Daycare home, large family, pursuant to this title		C
Daycare home, small family		P
Drainage sump		C
Drainage sump, if proposed and approved as part of a tentative subdivision or tentative parcel map		P
Flood control facilities		P
Hunting or fishing club, not involving structures		C
Water storage or groundwater recharge facilities		P
Wild animal keeping		C
Wildlife or nature preserve (private)		C
Recreation, entertainment and tourist facilities:		

Agriculture Uses	Condition Of Use ^A
Equestrian establishment	C
Golf course/driving range	C
Guest ranch, when accessory to a commercial ranching operation	C
Lakes, private, for recreational skiing or boating	C
Park or playground, unless project requires a public hearing, then permitted	C
Racetrack or test track, automobile, bicycle, horse or motorcycle	C
Recreational vehicle park	C
Shooting range or gun club, simulated war games, or similar activities, outdoor only	C
Trade fairs and exhibitions, temporary (14 day minimum), excluding flea markets and swap meets (subject to provision of section 6-2-11 of this title)	P
Residential:	
Emergency shelters	X
Farm labor housing for contract labor	C
Farm labor housing for on site employees	C
Residential accessory structures	P
Residential facilities	C
Single-family dwelling, occupied by the owner or full time on site employee	P
Supportive housing	P
Transitional housing	P
Resource extraction and energy development:	
Coal fired cogeneration facility or steam generators, primarily intended for production of oil or gas	C
Cogeneration facility or steam generators, primarily intended for steam production used for production of oil or gas, excluding coal fired	C
Concrete or asphalt batch plant, temporary	C

Agriculture Uses	Condition Of Use^A
Electrical power generating plant	C
Explosives storage, permanent	C
Explosives storage, temporary	C
Mineral exploration	P
Mining and mineral extraction pursuant to the provisions of this title	P
Oil or gas exploration and production pursuant to the provisions of this title	P
Rock, gravel, sand or soils, crushing, processing or distribution, when accessory to an approved mining operation	C
Solar energy electrical generators with a rated capacity of no greater than 5 kilowatts for on site consumption of the electricity	P
Solar energy for electrical generators, commercial or domestic, exceeding 5 kilowatts capacity	C
Wind driven electrical generators for consumption of electricity	C
Transportation facilities:	
Airport, private (if not within an approved airport plan)	C
Airport, public (if not within an approved airport plan)	C
Heliport (if not within an approved airport plan)	C
Rail, rail freight classification or switching yard, and rail spurs	C
Utility and communication facilities:	
Radio, television or commercial communications transmitter, receiver or translator, except as specified in this title	P
Transmission lines and supporting towers, poles, microwave towers and underground facilities for gas, water, electricity, telephone or telegraph service owned and operated by a public utility company or other company under the jurisdiction of the California public utilities commission pursuant to this title	C
Utility substation	P
Waste facilities:	
Hazardous waste disposal facility, unless project otherwise entails a public	C

	Agriculture Uses	Condition Of Use^A
	hearing, then permitted	
	Nonhazardous oil production and/or oily waste disposal facility, unless project otherwise entails a public hearing, then permitted	C
	Sanitary landfill, unless project otherwise entails a public hearing, then permitted	C
	Septage disposal site, unless project otherwise entails a public hearing, then permitted	C
	Sewage sludge composting, unless project otherwise entails a public hearing, then permitted	C
	Sewage treatment plant, unless project otherwise entails a public hearing, then permitted	C
	Transfer station, large and small volume, unless project otherwise entails a public hearing, then permitted	C
	Waste to energy facility, unless project otherwise entails a public hearing, then permitted	C
<p>Other uses similar to, and no more objectionable than, the uses identified above, shall be reviewed per the process required by the similar use, as determined by the planning commission.</p>		

SECTION 5. The following shall be added as Section 6-12-31 of Title 6, and be recommended to the City Council of the City of Taft as follows:

6-12-31: COMMERCIAL CANNABIS ACTIVITY PERMITTING AND REGULATION

(A) **Intent and Purpose:** The intent and purpose of this Chapter is to regulate Commercial Cannabis Activity (as defined below) in accordance with State Law (as defined below) to promote the health, safety, morals, and general welfare of the residents and businesses within the City. The City is authorized to regulate this activity pursuant to the Medical Cannabis Regulation and Safety Act (MCRSA) and Adult Use of Marijuana Act (AUMA). The goals of this regulation for Commercial Cannabis Activity include:

1. To minimize the size of the illegal market for Cannabis in the City and the surrounding regions.
2. To create jobs, tax revenue and economic growth for the City and its residents.

3. To enable law enforcement and regulators to have sufficient rights to inspect and audit Cannabis Permittees and take expeditious action against Cannabis Permittees who violate the requirements of this Chapter.
4. To minimize social harms which may arise from Cannabis including youth consumption or intoxicated driving.
5. To regulate the manner of advertising and location of Cannabis Permittees such that public nuisance is minimized.

(B) **Definitions.** For purposes of this Chapter, the following definitions shall apply, unless the context clearly indicates otherwise:

“**Adult Use Cannabis**” means the non-medical use of cannabis by adults of age 21 and over as permitted by AUMA and other applicable State and City laws.

“**Adult Use Permittee**” means a Person who is issued a City Permit to engage in Commercial Cannabis Activity with respect to non-medical Adult Use Cannabis in accordance with applicable City law and State Law, including AUMA.

“**AUMA**” the Adult Use of Marijuana Act, otherwise known as Proposition 64 passed into law by the voters of California on November 9, 2016.

“**Cannabis**” shall have the meaning assigned to the term “Marijuana” as set forth in Health and Safety Code Section 11018.

“**Cannabis Premises**” means (i) a building, (ii) a defined portion of or unit in a building with a separate mailing address, or (iii) a parcel of real property, in each case, where a specified user, owner, tenant, or City Permittee is utilizing the space for Commercial Cannabis Activity. In a building with multiple units, each defined unit shall be deemed a single Cannabis Premise.

“**Cannabis Permit**” means a permit issued by the City, and a license issued by the State, in each case, in accordance with, and to the extent required by, applicable State Law, in order to participate in a Commercial Cannabis Activity, such as Cultivation, Manufacturing, Distribution, Transportation, Testing, retail sale, or Delivery.

“**Cannabis Permittee**” means a Person who holds a Cannabis Permit.

“**Cannabis Product**” shall have the meaning assigned to the term “Marijuana Product” as set forth in Health and Safety Code Section 11018.1.

“**City**” means the City of Taft.

“**City Code**” means the City of Taft Municipal Code.

“City Manager” means the individual duly appointed by a majority of the City Council to serve in the capacity as executive officer of the City on a permanent or interim basis or such other official as designated by the City to fulfill such duties.

“City Permit” means a Cannabis Permit issued by the City.

“City Permittee” means a Person that has been issued a City Permit.

“Commercial Cannabis Activity” shall (i) have the meaning assigned to the term “commercial marijuana activity” as set forth in Business and Professions Code Section 26001(d) when the context of such use of the term “Commercial Cannabis Activity” is with respect to Adult Use Cannabis under AUMA, and (ii) have the meaning assigned to the term “commercial cannabis activity” as set forth in Business and Professions Code Section 19300.5(j) when the context of such use of the term “Commercial Cannabis Activity” is with respect to medical Cannabis under MCRSA.

“Cultivation” means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of Cannabis.

“Cultivation Permit” means a City Permit for the Indoor Cultivation of Cannabis in accordance with the terms and conditions of this Chapter and the conditions of approval for the applicable City Permit issued to the particular Cultivation Permittee.

“Cultivation Permittee” means an applicant who has applied for and has been issued a Cultivation Permit by the City pursuant to the terms and conditions of this Chapter.

“CUP” means a Conditional Use Permit issued by the City in accordance with City Code.

“Deliver” or “Delivery” means the commercial transfer or delivery of Cannabis or Cannabis Products to a customer, patient, primary caregiver or Cannabis Permittee.

“Distribution” means the procurement, sale, and Transport of Cannabis and Cannabis Products between Cannabis Permittees.

“Distribution Permit” means, with respect to a Distribution Permittee, a City Permit for Distribution in accordance with the terms and conditions of this Chapter and the conditions of approval for the applicable City Permit issued to such Distribution Permittee.

“Distribution Permittee” means a Person that has been issued a Distribution Permit by the City pursuant to the terms and conditions of this Chapter.

“Fully Enclosed and Secure Structure” means a space within a building, greenhouse or other structure which has a complete roof enclosure supported by connecting walls extending from the ground to the roof, which is reasonably secure against unauthorized entry, provides complete visual screening or is behind fencing or other features providing complete visual screening, and which is accessible only through one or more lockable doors and is inaccessible to minors. For the avoidance of doubt, this shall not prohibit a full greenhouse facility provided that the

combination of fencing and other physical barriers provides a reasonably secure barrier to entry.

[Drafting Note: This does not allow for outdoor cultivation. Alternative language can be provided for enclosed outdoor cultivation which may offer benefits depending on climate in region. The restriction in Section (K)3 should be removed.]

“Gross Receipts” means the total amount of the sales of a City Permittee, valued in money, whether paid in money or otherwise, without any deduction for the cost of materials used, any costs of transportation of the City Permittee, or any other expenses.

“Health and Safety Code” means the California Health and Safety Code, as amended from time to time.

“Indoor” means within a Fully Enclosed and Secure Structure.

“Manufacture” means to compound, blend, extract, infuse, or otherwise make or prepare a Cannabis Product from such blends, extractions or infusions.

“Manufacturing Permit” means a City Permit to Manufacture in accordance with the terms and conditions of this Chapter and the conditions of approval for the applicable City Permit issued to the particular Manufacturing Permittee.

“Manufacturing Permittee” means a Person that has been issued a Manufacturing Permit by the City.

“MCRSA” the Medical Cannabis Regulation and Safety Act an approval of Senate Bill 837 by the state legislature on June 27, 2016, effective immediately, which amended the MMRSA.

“Medical Permittee” means a Person who is issued a City Permit to engage in Commercial Cannabis Activity with respect to medical Cannabis in accordance with applicable City law and State Law, including MCRSA.

“MMRSA” the Medical Marijuana Regulation and Safety Act signed by Governor Brown on October 9, 2015, effective January 1, 2016.

“Modular Building” means a structure that is transportable in one or more sections and is designed and equipped for the Manufacturing of Cannabis Products.

“Outdoors” means any location within the City that is not within a Fully Enclosed and Secure Structure

“Permit Zone” means, with respect to a Person holding a City Permit, the zones or portions of the City where such City Permit type is permitted to operate. Such Permit Zones may be amended from time-to-time by a majority vote of the City Council. To the extent not otherwise specified in this definition, a Cannabis Permittee shall be able to operate in any portion of the City which complies with the zoning, radius and other requirements of Section (E). The initial Permit Zones shall be as follows:

1. With respect to Retail Permits, prohibited within the incorporated boundaries of the City of Taft
2. With respect to Cultivation Permits, within the Industrial Zone District
3. With respect to Distribution Permits, within the Industrial Zone District or, if such Distribution Permit is held by a Permittee who also holds another City Permit type, the location where the operations of such City Permit type are conducted (e.g. the site of a Cultivation Permit).
4. With respect to Transportation Permits, within the Industrial Zone District or, if such Transportation Permit is held by a Permittee who also holds another City Permit type, the location where the operations of such City Permit type are conducted (e.g. the site of a Cultivation Permit).
5. With respect to Manufacturing Permits, within the Industrial Zone District
6. With respect to Testing Permits, within the Industrial Zone District

“Person” includes any individual, firm, co-partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit, and the plural as well as the singular.

“Physician Services” means the consultation by a State-licensed physician of a patient with the possible recommendation by such physician of medical Cannabis for such patient.

“Retail Establishment” means a premises where Cannabis or Cannabis Products are offered, either individually or in any combination, for retail sale or Delivery pursuant to State Law, including AUMA for recreational Cannabis and MCRSA for medical Cannabis, including an establishment that sells and Delivers Cannabis or Cannabis Products to customers, patients or primary caregivers pursuant to State Law. Retail Establishments are prohibited within the incorporated boundaries of the City of Taft.

“Retail Permit” means a permit to sell and Deliver Cannabis and Cannabis Products to customers, patients and primary caregivers in accordance with the terms and conditions of this Chapter and the conditions of approval for the applicable City Permit issued to the particular Retail Permittee. Retail Permits are not issued within the incorporated boundaries of the City of Taft

“Retail Permittee” means a Person that has been issued a Retail Permit by the City pursuant to the terms and conditions of this Chapter. Retail Establishments are prohibited and Retail Permits are not issued within the incorporated boundaries of the City of Taft.

“State” means the State of California.

“State Law” means all laws of the State, including all rules and regulations adopted by State agencies and State regulatory entities.

“**State Medical License**” means a State license issued pursuant to Chapter 3.5, commencing with Section 19300, of the Business and Professions Code, as amended or replaced.

“**State Adult Use License**” means a State license issued pursuant to Division 10, commencing with Section 26000, of the Business and Professions Code, as amended or replaced.

“**Testing**” means the laboratory Testing of the quality, makeup or purity of Cannabis and Cannabis Products as required by applicable State Law.

“**Testing Permit**” means a City Permit for Testing the quality and makeup of Cannabis and Cannabis Products pursuant to the terms and conditions of this Chapter and the conditions of approval for the applicable City Permit issued to the particular Testing Permittee.

“**Testing Permittee**” means a Person who has been issued a Testing Permit by the City pursuant to the terms and conditions of this Chapter.

“**Transportation Permit**” means a City Permit to Transport Cannabis and Cannabis Products between Cannabis Permittees pursuant to the terms and conditions of this Chapter and the conditions of approval for the applicable City Permit issued to the particular Transportation Permittee.

“**Transportation Permittee**” means a Person that has been issued a Transportation Permit by the City.

“**Transport**” means the transfer of Cannabis and Cannabis Products from the business location of one Cannabis Permittee to the business location of another Cannabis Permittee, for the purposes of conducting Commercial Cannabis Activity.

“**Volatile Solvent**” means a Class I Flammable liquid as defined by the National Fire Protection Association, including butane and propane.

(C) **Commercial Cannabis Activity Prohibited.** All Commercial Cannabis Activity within the City is prohibited except as permitted by this Chapter.

(D) **Commercial Cannabis Activity Conditionally Permitted.** Commercial Cannabis Activity is conditionally permitted in the City only as expressly specified in this Chapter.

(E) **Business standards.** Commercial Cannabis Activity within the City shall be in conformance with the following standards:

1. Commercial Cannabis Activity shall only be allowed upon application and issuance of a City Permit and a CUP by the City in accordance with the criteria and process set forth in this Chapter and City Code. The City Manager or the City Manager’s designee may approve applications or operations that vary from the criteria set forth in this Section and City Code to further achieve the aims of City Code and the City.

2. Zoning and Land Use.

- a. Operation Near Schools. Following the enactment of this Chapter, no new Cannabis Premise shall be established, developed, or operated within 1,000 feet of a school providing instruction in kindergarten or any grades 1 through 12, day care center, or youth center that is in existence at the time the license is issued, except for Transport activities, which must follow established commercial trucking routes. All distances shall be measured in a straight line, without regard to intervening structures, from the nearest point of the property line in which the Cannabis Premise is, or will be, located to the nearest property line of those uses describe in this Subsection. The restrictions set forth in this Subsection shall not apply to any Cannabis Premise which operates within 1,000 feet of any school providing instruction in kindergarten or any grades 1 through 12, day care center, or youth center if such Cannabis Premise existed prior to the establishment of the applicable school, day care center or youth center that is located within 1,000 feet of such Cannabis Premise.
 - b. Co-Location. All Commercial Cannabis Activity shall fully comply with all mandates set forth in State Law. To the extent not prohibited under State Law, a City Permittee may be located within the same unit of the same Cannabis Premises or building, facility or real property parcel as another City Permittee.
 - c. Conditional Use Permits.
 - (1) Prior to commencing operations, all City Permittees shall obtain a CUP from the City for all parcels of real property (Or portion thereof) upon which the City Permittee has a Cannabis Premises.
 - (2) All Cannabis Premises shall be operated in accordance with the conditions of approval associated with the applicable CUP for the specified parcel of real property (or sub-portion thereof) upon which the Cannabis Premises is located.
 - (3) Prior to the issuance of a CUP on a permanent basis, the City Manager, or their designee, may issue a temporary use permit to enable a City Permittee to commence operations.
 - (4) Except as specified in Section (M), Commercial Cannabis Activities shall not exceed the square footage authorized pursuant to the applicable CUP.
 - (5) Unless otherwise approved by the City Manager, or their designee, all Cannabis Premises shall be located in the Zone District applicable to such type of City Permit.
3. Subject to the further requirements of this Chapter, and in accordance with the MCRSA and Business and Professions Code sections 19300.7 and 19328, at a minimum the following State Medical License classification types will be allowed within the City: 1A, 1B, 2A, 2B, 3A, 3B, 4, 6, 7, 8, 10, 10A, 11, and 12.

4. Commercial Cannabis Activity is allowed only within Fully Enclosed and Secure Structures that are inaccessible to minors.
5. From any public right-of-way, there shall be **no visible evidence of the consumption of any Cannabis Products**. Commercial Cannabis Activity shall not adversely affect the health or safety of the nearby residents by creating dust, glare, heat, noise, smoke, traffic, vibration, or other impacts, and shall not be hazardous due to use or storage of materials, processes, products, or wastes.
6. Except as specified in Section (M), there is no set restriction on the hours of operation of Commercial Cannabis Activities at Cannabis Premises; however, restricted hours of operation may be established as a condition of approval of a City Permit or the applicable CUP issued by the City.
7. All Cannabis and Cannabis Products shall be kept in a secured manner during all business and nonbusiness hours.
8. All Commercial Cannabis Activities shall operate within a Cannabis Premises that is compliant with all applicable State Laws and local laws.
9. City Permittees must pay all applicable taxes pursuant to all federal, State, and local laws.
10. City Permittees shall provide sufficient odor absorbing ventilation and exhaust systems so that odors outside the applicable Cannabis Premises are not a nuisance on any adjacent property or public right-of-way. Any violation of this Section shall be remedied within thirty (30) days of the City Permittee receiving notice of such violation.
11. City Permittees shall utilize product and inventory tracking software and accounting software that is in-line with reasonable business practices within the industry.
12. Except as specified in Section 6-12-31(M), on-site smoking, ingestion, or consumption of Cannabis, Cannabis Products or alcohol shall be prohibited on Cannabis Premises. Except to the extent otherwise permitted pursuant to Section (M), the entrance of the Cannabis Premises shall be clearly and legibly posted with a notice indicating that smoking, ingesting, or consuming Cannabis, Cannabis Products or alcohol on such Cannabis Premises is prohibited.
13. Signage for all Cannabis Premises shall be in compliance with the City's sign regulations, Chapter 15 of this Title.
14. Alcoholic beverages and tobacco shall not be sold, stored, distributed, or consumed on the Cannabis Premises. City Permittees shall not hold or maintain a license from the State Department of Alcohol Beverage Control to sell alcoholic beverages, or operate a business that sells alcoholic beverages or tobacco with respect to the Cannabis Premises. In addition, alcohol shall not be provided, stored, kept, located, sold, dispensed, or used on the Cannabis Premises.

15. Physician Services shall not be provided at any Cannabis Premises.
16. The Cannabis Premises shall fully comply with all applicable rules, regulations, and laws including, but not limited to, zoning and building City Codes, the City's business license ordinances, the Revenue and Taxation Code, the Americans with Disabilities Act, AUMA and MCRSA.
17. Each City Permittee shall provide the City Manager, or the City Manager's designee, with the name, phone number, facsimile number, and email address of an on-site representative of such City Permittee to whom the City and the public can provide notice if there are any operational problems associated with such City Permittee's Cannabis Premises. Each City Permittee shall make reasonable and good faith efforts to encourage residents and the public to call this representative to resolve any operational problems before any calls or complaints are made to the City or law enforcement.
18. All Cannabis Premises shall have a security plan that satisfies the following requirements:
 - a. Security cameras shall be installed and maintained in good condition at all times. The areas to be covered by the security cameras include, but are not limited to sale, Cultivation, Manufacturing, processing, Transportation, and Distribution areas, all doors and windows, and any other areas as reasonably determined by the City Manager or the City Manager's designee. Requirements for the camera system include:
 - (1) The cameras shall be in use 24 hours per day, seven days per week.
 - (2) The applicable City Permittee shall maintain at least 120 concurrent hours of digitally recorded documentation.
 - (3) The use of a remote login system for remote monitoring. Remote log-in information shall be provided to the City Manager and the Chief of Police to allow them to view the security camera images and recordings from their own facilities at any time.
 - (4) Any disruption in security camera images shall be cured expeditiously in good faith.
 - (5) With respect to enclosed and secure spaces utilized solely for Cultivation and to avoid damaging the light cycles of Cannabis crops, cameras that do not utilize infrared or other supplemental light may be utilized provided that such Cultivation space is fully locked and secured with a keypad, keycard, smartlock or other system which records the time and identity of those accessing such Cultivation space.
 - b. Cannabis Premises shall be secured with an alarm system that is operated and monitored by an independent third party security company.
 - c. Entrance to the Cannabis Premises, and all storage areas therein, shall be locked at all times, and under the control of the Cannabis Premise's staff.

- d. The entrances and all window areas shall be illuminated during evening hours. The Cannabis Premises shall comply with the City's lighting standards regarding fixture type, wattage, illumination levels, shielding, etcetera, and shall secure the necessary lighting approvals and permits as needed.
 - e. All windows on the Cannabis Premises shall be appropriately secured and all Cannabis securely stored.
 - f. Recordings made by the security cameras shall be made available to the City Manager, the City Manager's designee, or law enforcement upon verbal request—no search warrant or subpoena shall be needed to view the recorded materials.
19. The City Manager, the City Manager's designee, and law enforcement shall have the right to enter the Cannabis Premises at any time, unannounced, for the purpose of making reasonable inspections to observe and enforce compliance with this Chapter and all City laws and State Law. To ensure security, such right shall be subject to the applicable party being able to present the applicable Cannabis Permittee a valid identification showing that they are the City Manager, the City Manager's designee, or law enforcement with jurisdiction in the City.
20. Pursuant to this **Section (E)**, the City, City Manager, law enforcement and other agents and employees of the City (collectively, the "**City Parties**") shall have access to Cannabis Premises, video footage, business records, data, inventory levels and information relating to customers, vendors, products, plans and agreements (collectively, "**Confidential Information**"). To the extent Confidential Information is viewed or possessed by any City Parties, the City Parties shall, to the maximum extent possible, keep such Confidential Information confidential, not disclose the Confidential Information to any third parties, and shall only use the Confidential Information for purposes specified in this Ordinance or other laws and regulations of the City related to the City Permittees from whom such Confidential Information has been received. Notwithstanding the foregoing, the City may disclose Confidential Information: (i) as may be required by the California Public Records Act or pursuant to a valid subpoena or court order, provided, however, that the City shall first notify the applicable City Permittee and provide the City Permittee with a reasonable opportunity to obtain a protective order before disclosing the Confidential Information, and (ii) in connection with any City enforcement proceeding relating to compliance with the City's Municipal Code and this Section, but only to the extent the Confidential Information is relevant to the proceeding.

(F) Application requirements:

1. All applicants wishing to obtain a Cannabis Permit from the City shall file an application with the City upon a form provided by the City and shall pay a permit application fee as established by the City. The fee may vary depending on the type of City Permit. An application for a City Permit shall include at least the following information:
 - a. The address of the applicant's headquarters.

- b. The size of the proposed Cannabis Premises.
 - c. The address of the location for which the City Permit is sought.
 - d. A site plan and floor plan for the proposed Cannabis Premises denoting the use of all areas on the Cannabis Premises, including but not limited to parking, points of ingress/egress, storage areas, lighting, and signage.
 - e. A proposed security plan in compliance with the standards in this Chapter.
 - f. The names, addresses, and relevant criminal histories of those with an ownership interest of twenty percent (25%) or more and any Person who will be a facility manager or otherwise responsible for the Commercial Cannabis Activity at the Cannabis Premises (collectively, the “**Applicant’s Agents**”). Relevant criminal histories shall include any drug-related or felony convictions, the nature of such offenses, and the sentences received for such convictions.
 - g. The name and address of the owner and lessor of the real property upon which the Cannabis Premises is proposed to be located. In the event the applicant is not the legal owner of the property, the application must be accompanied with a signed and notarized acknowledgement from the owner of the property that Commercial Cannabis Activity will occur on the property.
 - h. Authorization for the City Manager or the City Manager’s designee to seek verification of the information contained within the application.
 - i. Evidence that the Cannabis Premises will be located in a Cannabis Premises that is compliant with all applicable State Laws and City laws.
 - j. A statement in writing by the applicant that the applicant certifies under penalty of perjury that all the information contained in the application is true and correct.
 - k. Any such additional and further information as is deemed necessary by the City Manager or the City Manager’s designee to administer this Chapter.
2. The City Manager or the City Manager’s designee shall conduct a background check of any applicant seeking a City Permit, including the Applicant’s Agents, and shall prepare a report on the acceptability of the applicant and the Applicant’s Agents and the suitability of the proposed location of the Cannabis Premises.
 3. The City Manager or the City Manager’s designee shall rank all qualified applications in order of those that best satisfy the requirements of this Chapter and provide the highest level of service and opportunities for residents of the City based on the requirements of this Section and, but not limited to, the following criteria (the “**Merit List**”):
 - a. The operational plan for the Cannabis Premises.

- b. The security plan for the Cannabis Premises.
- c. The experience of the operators of the Cannabis Premises with respect to Cannabis businesses.
- d. The adequacy of capitalization for the City Permittee and its operations.
- e. The employment of City residents and other public benefits to the City.

(G) Permit Conditions:

1. A City Permit application may be denied and not awarded by the City if:
 - a. The applicant or the Applicant's Agents made one or more false or misleading statements or omissions in the application or during the application process.
 - b. The proposed Cannabis Premises or Commercial Cannabis Activity at the Cannabis Premises is not allowed by State Law or City law.
 - c. The applicant is not a legal representative of the proposed City Permittee.
 - d. The applicant or the Applicant's Agents have been convicted of a felony, or a misdemeanor involving moral turpitude, or the illegal use, possession, distribution, transportation, or any such similar activity related to controlled substances, with the exception of Cannabis related offenses for which the conviction occurred prior to passage of Compassionate Use Act. A conviction within the meaning of this Section means a plea or verdict of guilty or a conviction following a plea of nolo contendere.
 - e. The applicant or the Applicant's Agents have engaged in unlawful, fraudulent, unfair, or deceptive business acts or practices.
 - f. The applicant has not been or is not in good standing with the city related to other or previous business activities operated in the city.
 - g. The applicant has not satisfied all requirement of this Chapter.
2. A Cannabis Permit shall be awarded by the City to applicants in order of the Merit List as established by the City Manager or the City Manager's designee. The number of City Permits shall be limited to those that may be reasonably accommodated within the appropriate city Permit Zone as determined by the City Manager, or the City Manager's designee, as follows:
 - a. One (1) Cultivation Permittee per 20,000 residents in the City.
 - b. One (1) Manufacturing Permittee per 20,000 residents in the City.

- c. Sufficient Distribution Permits to enable each Manufacturing Permittee or Processing Permittee to also distribute the Cannabis Products such Cannabis Permittee produces.
3. Before a Cannabis Permit can be issued to an applicant, a Cannabis Permit fee must be paid to offset all related costs to the City, and the proposed Cannabis Premises must pass all applicable inspections.
4. Each City Permit is subject to the conditions of approval in the applicable CUP for the parcel of real property upon which the Cannabis Premises is located.
5. Each City Permit is subject to any additional conditions that may be applied by the City at the time of issuance or renewal as necessary to properly regulate the applicable Commercial Cannabis Activities and to protect the public.
6. Each City Permittee shall execute an agreement with the City to fully reimburse the City for all fiscal impacts, costs, expenses, fees, and attorneys' fees incurred by the City related to the City Permit and the related Commercial Cannabis Activity of such City Permittee.
7. Each City Permittee shall:
 - a. Carry liability insurance in the amounts and types set by the City Manager or the City Manager's designee, and name the City as an additional insured on all such insurance policies; provided, however, that in no event shall a City Permittee be required to carry insurance with coverage in excess of one million dollars (\$1,000,000).
 - b. Execute an Indemnification Agreement prepared by the City that fully indemnifies the City for all liabilities associated with the City Permit, the City Permittee's Commercial Cannabis Activities, and any action taken by the City Permittee pursuant to this Chapter.
 - c. Defend the City, at the City Permittee's sole expense, in any action against the City or its agents, officers, or employees associated with the City Permit, the City Permittee's Commercial Cannabis Activities, or any action taken by the City Permittee pursuant to this Chapter. The City may, at its sole discretion, participate in the defense of any such action, but such participation shall not relieve the City Permittee of its indemnification and reimbursement obligations.
 - d. Reimburse the City for all costs, expenses, fees, and attorney fees incurred by the City related to any action against the City or its agents, officers, or employees associated with the Cannabis Permit, the City Permittee's Commercial Cannabis Activity, or any action taken by the City Permittee pursuant to this Chapter.
8. A City Permittee shall keep the City and law enforcement updated with the names, addresses, and relevant criminal histories of the Applicant's Agents. Relevant criminal histories shall include any drug-related or felony convictions, the nature of such offenses, and the sentences received for such convictions.

9. In order for a City Permittee to transfer its City Permit to any Person, such City Permittee must submit a transfer application to the City Manager or City Manager's designee. The City Manager or the City Manager's designee shall create a transfer application and reasonable transfer application process that City Permittees and the City must follow for City Permit transfer requests. Each transfer request of a City Permit and the related transfer application is subject to the prior approval of the City Manager or the City Manager's designee.
10. A City Permit shall expire and be null and void 12 months after issuance to the City Permittee unless properly renewed. Upon payment of the applicable City Permit fees, and passing the requisite inspections, a City Permittee that has maintained compliance with all City, State, and other applicable Cannabis and business related laws shall be entitled to automatically renew its City Permit subject to all prevailing laws at the time of renewal.
11. To the fullest extent permitted by law, the City does not assume any liability, and expressly does not waive sovereign immunity, with respect to any Commercial Cannabis Activities, or for the other activities of any City Permittee or for any other activities taking place at Cannabis Premises.

(H) Enforcement:

1. Any Commercial Cannabis Activity within the City in violation of this Chapter is hereby declared to be unlawful and a public nuisance.
2. Any Person who willfully or knowingly (i) engages in a violation of this Chapter or (ii) owns, possesses, controls, or has charge of any parcel of real property in the City upon which a violation of this Chapter is maintained and who has actual knowledge of such violation (or would have actual knowledge of such violation after a reasonable inquiry), shall be subject to the penalties and remedies provided by this Chapter.
3. Any violation of this Chapter shall constitute a separate offense for each and every day the violation occurs or persists.
4. Any Person in violation of any provision of this Chapter or who causes another Person to be in violation of this Chapter shall have committed a misdemeanor. In addition which shall be punishable by a fine of up to one thousand dollars (\$1,000) for each violation and for each day the applicable violation continues to persist.
5. Any person in violation of any provision of this Chapter shall be punishable by an administrative fine of up to a \$1,000 per offense.
6. Any material violation of this Chapter or any other relevant City law or State Law by a City Permittee, or a City Permittee's agent, is grounds for revoking the relevant City Permit. In addition, the City Manager or the City Manager's designee may revoke a City Permit if any of the following occur:

- a. The City Manager or the City Manager’s designee determines that the City Permittee has failed to comply with this Chapter, any condition of approval, or any agreement or covenant as required pursuant to this Chapter.
 - b. The City Permittee’s Commercial Cannabis Activities cease for more than ninety (90) calendar days.
 - c. Ownership of the City Permittee is changed or transferred to a third party, without approval from the City Manager or the City Manager’s designee.
 - d. The Cannabis Premises fails to maintain 120 hours of security recordings.
 - e. The City Permittee fails to provide remote access to the security cameras to the City Manager, the City Manager’s designee, or the Chief of Police, or fails to allow inspection of the security recordings, the activity logs, or of the premise by authorized City officials.
7. Any decision regarding the revocation of a City Permit may be appealed to an independent neutral third party administrative hearing officer appointed by the City Manager or the City Manager’s designee (the “**Hearing Officer**”). Said appeal shall be made by a notice of appeal from the Person appealing within thirty (30) days from the date of the decision to revoke the City Permit. The appeal shall be accompanied by a written verified declaration setting forth the basis for the claim that the City Permit was improperly revoked. The Hearing Officer’s decision shall be final and binding upon the City and the appellant City Permittee.
8. These penalties and remedies are cumulative, and in addition to any other penalties and remedies available to the City.

(I) State Medical License Requirement:

1. Medical Permittees must obtain a State Medical License within one (1) year of the date on which the Bureau of Medical Cannabis Regulation posts a notice on its website or otherwise publicly announces that state licensing authorities have commenced issuing State Medical Licenses (the “**State Medical License Deadline**”).
2. A Medical Permittee may not conduct the applicable Commercial Cannabis Activity at its Cannabis Premises following the State Medical License Deadline in the event that such Medical Permittee fails to obtain the applicable State Medical License on or prior to the State Medical License Deadline.
3. Each Medical Permittee must provide proof of receipt of the applicable State Medical License by such Medical Permittee to the City Manager or the City Manager’s designee.

(J) State Adult Use License Requirement:

1. There shall be no prohibitions or restrictions on a Medical Permittee obtaining and holding the same classification type of City Permit for Adult Use Cannabis as such Medical Permittee holds for medical Cannabis. There shall be no prohibitions or restrictions on an Adult Use Permittee obtaining and holding the same classification type of City Permit for medical Cannabis as such Adult Use Permittee holds for Adult Use Cannabis.
2. The applications of Medical Permittees, which have operated in compliance with and are in good standing with city codes, for City Permits for Commercial Cannabis Activities for Adult Use Cannabis shall be prioritized over all other Persons' applications for the same City Permit classification type.
3. Subject to the further requirements of this Chapter, and in accordance with Section 26050 of the Business and Professions Code, at a minimum, the following State Adult Use License classification types will be allowed within the City: 1A, 1B, 2A, 2B, 3A, 3B, 4, 5A, 5B, 6, 7, 8, 10, 11, and 12.
4. To the extent not prohibited under State Law, a City Permittee may engage in Commercial Cannabis Activity with Cannabis Permittees holding a State Medical License (or medical Cannabis City Permit) or State Adult Use License (or Adult Use Cannabis City Permit).

(K) Cannabis Commercial Cultivation:

1. **Purpose.** The purpose and intent of this Section is to permit and regulate the Commercial Cannabis Activity of Cultivation in order to promote the health, safety, morals, and general welfare of the residents and businesses within the City. The City is authorized to regulate this activity pursuant to the MCRSA and AUMA.
2. **Scope; Medical and Adult Use Cannabis.** This Section permits and regulates the Commercial Cannabis Activity of Cultivation of medical Cannabis pursuant to State Law, including MCRSA, and the Commercial Cannabis Activity of Cultivation of Adult Use Cannabis pursuant to State Law, including AUMA. Subject to the terms of this Chapter, Cultivation Permits may be issued by the City for the Cultivation of medical Cannabis pursuant to and in accordance with State Law, including MCRSA. Subject to the terms of this Chapter, Cultivation Permits may be issued by the City for the Cultivation of Adult Use Cannabis pursuant to and in accordance with State Law, including AUMA.
3. Outdoors Cultivation is prohibited within the City.
4. Indoor Cultivation is a conditionally permitted use only on properties within the applicable Permit Zone.
5. Indoor Cultivation may include growing Cannabis plants, harvesting Cannabis plants, and drying Cannabis flowers, but shall not include the Manufacturing or of Cannabis Products.
6. In addition to the security requirements of Section (E), entrance to the Cultivation area, and all storage areas, of the applicable Cannabis Premises shall be locked at all times, and under the control of the staff of such Cannabis Premises.

7. The City may authorize pursuant to a CUP, on an interim basis or on a permanent basis, the Cultivation of Cannabis Products in a **Modular Building** that meets or substantially meets the requirements of this Chapter.

(L) Cannabis Manufacturing:

1. **Purpose.** The purpose and intent of this Section is to permit and regulate the Manufacturing of Cannabis Products to promote the health, safety, morals, and general welfare of the residents and businesses within the City. The City is authorized to regulate this activity pursuant to the MCRSA and AUMA.
2. **Scope; Medical and Adult Use Cannabis.** This Section permits and regulates the Commercial Cannabis Activity of Manufacturing of medical Cannabis Products pursuant to State Law, including MCRSA, and the Commercial Cannabis Activity of Manufacturing of Adult Use Cannabis Products pursuant to State Law, including AUMA. Subject to the terms of this Chapter, Manufacturing Permits may be issued by the City for the Manufacturing of medical Cannabis Products pursuant to and in accordance with State Law, including MCRSA. Subject to the terms of this Chapter, Manufacturing Permits may be issued by the City for the Manufacturing of Adult Use Cannabis Products pursuant to and in accordance with State Law, including AUMA.
3. The Manufacturing of Cannabis Products is a conditionally permitted use only on properties within the applicable Permit Zone.
4. A Manufacturing Permittee must employ at least one (1) full time **quality control personnel**.
5. The Manufacturing Permittee must establish standard operating procedures and batch records that comply with **current good manufacturing practices and applicable State Law**, including MCRSA and AUMA.
6. All finished Cannabis Products produced by a Manufacturing Permittee must be **labeled** in compliance with applicable State Law, including MCRSA and AUMA.
7. All finished Cannabis Products produced by a Manufacturing Permittee must be **packaged in child resistant containers** prior to leaving the Cannabis Premises for such Manufacturing Permittee in accordance with applicable State Law, including MCRSA and AUMA.
8. Manufacturing Permittees may conduct Manufacturing of Cannabis Products using any type of solvents, including **Volatile Solvents**, or Manufacturing processes if such Manufacturing complies with the requirements of this Chapter and State or local law, including but not limited to Health and Safety Code Section 11362.775 (or any successive State Law) all applicable fire and building codes in the City and any other laws of the City designed to ensure the safety of such operation.
9. Manufacturing Permittees using **Volatile Solvents** for Manufacturing Cannabis Products must operate in a manner to reduce the risk of explosion or danger to public health,

including through the use of a close-loop or solvent dispersion system consistent with the requirements of Health and Safety Code Section 11362.775 (or any successive State Law).

10. The City may authorize pursuant to a CUP or temporary CUP, on an interim basis or on a permanent basis, the Manufacturing of Cannabis Products in a Modular Building that meets or substantially meets the requirements of this Chapter.

(M) Cannabis Retailers:

1. **Prohibited.** The retail sales of adult use and medical cannabis is prohibited within the incorporated boundaries of the City of Taft. Retail sales includes dispensaries for adult use and medical use cannabis, non-storefront adult use and medical use cannabis delivery services in a commercial location, and any other similar commercial retail sales of cannabis.

OR

~~(A) Purpose. The purpose and intent of this Section is to regulate the retail sale and Delivery of Cannabis and Cannabis Products in order to promote the health, safety, and general welfare of the residents and businesses within the City. The City is authorized to regulate this activity pursuant to the MCRSA and AUMA.~~

~~(B) Scope; Medical and Adult Use Cannabis. This Section permits and regulates the Commercial Cannabis Activity of retail selling and Delivering of medical Cannabis and Cannabis Products pursuant to State Law, including MCRSA, and the Commercial Cannabis Activity of retail selling and Delivering of Adult Use Cannabis and Cannabis Products pursuant to State Law, including AUMA. Subject to the terms of this Chapter, Retail Permits may be issued by the City for retail selling and Delivering of medical Cannabis and Cannabis Products pursuant to and in accordance with State Law, including MCRSA. Subject to the terms of this Chapter, Retail Permits may be issued by the City for the retail selling and Delivering of Adult Use Cannabis and Cannabis Products pursuant to and in accordance with State Law, including AUMA.~~

~~(C) Retail selling and Delivering of Cannabis and Cannabis Products is a conditionally permitted use only on properties within the applicable Permit Zone.~~

~~(D) The Commercial Cannabis Activity of retail selling and Delivering of Cannabis and Cannabis Products may only include the selling and Delivering of Cannabis and Cannabis Products by a Retail Permittee to a customer, patient or primary caregiver.~~

~~(E) Retailer Stores shall only be operated between the hours of 6:00 a.m. and 9:00 p.m. or as otherwise established as a condition of approval of the applicable Retailer Permit or the applicable CUP for such Retail Permittee. Delivery shall be permitted to continue until 12:00 a.m. midnight.~~

~~(F) On-site smoking, ingestion, or consumption of Cannabis, Cannabis Products or alcohol shall be prohibited on the Cannabis Premises of all Dispensaries except for Cannabis and Cannabis Products used by customers or qualified patients in well-ventilated private lounges that are partitioned off from access to all other areas of the Retail Establishment, are designed to prevent the flow of smoke to any other area of the Retail Establishment, and are otherwise operated in compliance with applicable State Law. The entrance of~~

~~the Cannabis Premises for the Retail Establishment shall be clearly and legibly posted with a notice indicating that smoking, ingesting, or consuming Cannabis, Cannabis Products or alcohol on the premises is prohibited except in designated lounges that comply with the mandates of this Subsection.~~

~~(G) In addition to the requirements of Section 4-21-5, Retail Permittees shall implement sufficient security measures to both deter and prevent unauthorized entrance into areas containing Cannabis and Cannabis Products and theft of Cannabis and Cannabis Products from the Retail Establishment.~~

~~(H) All Cannabis and Cannabis Products shall be stored in a secured and locked room, safe, or vault, and in a manner as to prevent diversion, theft, or loss.~~

~~(I) Individuals shall not be allowed to remain on the Cannabis Premises comprising of the Retail Establishment unless they are engaging in activity expressly related to the operations of the Retail Establishment or are a customer.~~

~~(J) A Retail Permittee shall notify the City Manager or the City Manager's designee within 24 hours of discovering any of the following:~~

- ~~1. Significant discrepancies identified during inventory. The level of significance shall be determined by the City Manager or the City Manager's designee.~~
- ~~2. Diversion, theft, loss, or any criminal activity involving the Retail Establishment or any agent or employee of the Retail Establishment.~~
- ~~3. The loss or unauthorized alteration of records related to Cannabis, Cannabis Products, registered qualifying patients, primary caregivers, or Retail Establishment agents or employees.~~
- ~~4. Any other material breach of security.~~

~~(K) The retail sale and Delivery of Cannabis and Cannabis Products by Retail Establishments shall comply with all State and local Law, including all laws requiring presentment of government issued identification card, physician's recommendation or medical Cannabis identification card at the time of initial purchase.~~

~~(L) With respect to medical Cannabis, Physician's recommendations shall be verified by a Retail Permittee prior to selling or Delivering any medical Cannabis to a qualified patient or primary caregiver, and at least every six months thereafter.~~

~~(M) A Retail Establishment may not employ or enter into any agreements with any physicians who recommend medical Cannabis.~~

~~(N) A Retail Permittee shall inspect all Cannabis and Cannabis Products received for quality assurance prior to selling or Delivering to any Person.~~

~~(O) Each Retail Establishment shall sell and Deliver Cannabis and Cannabis Products only after such Cannabis and Cannabis Products have been inspected and quality tested in accordance with applicable State Law, including MCRSA and AUMA.~~

~~(P) Each Retail Establishment shall do regular monthly inventories, and shall record the total quantity of Cannabis and Cannabis on the Cannabis Premises. These records shall be maintained for three years from the date created and shall be open to inspection by the City Manager, the City Manager's Designee, and law enforcement.~~

~~(Q) A Retail Permittee shall register with the City each location where Cannabis or Cannabis Products are stored for purposes of selling or Delivering by such Retail Permittee within the City.~~

~~(R) A Retail Establishment shall maintain customer and patient and other business records in a secure location (including electronically or cloud based) that is compliant with, as applicable, HIPAA and other federal and state privacy laws.~~

~~(S) During the Delivery of Cannabis or Cannabis Products, each vehicle driver shall carry a copy of the Retail Permit, a copy of the Delivery request, a form of government issued identification, and all other information required by State and local Law. The driver shall present these documents upon the request of law enforcement, the City Manager, or the City Manager's designee.~~

~~(T) Prior to sale at a Retail Establishment, Cannabis and Cannabis Products shall be labeled and placed in a tamper evident package. Labels and packages of Cannabis and Cannabis Products shall, at minimum, meet the requirements specified under Business and Professions Code Section 19347 and other applicable State Law.~~

~~(U) A Retail Permittee may opt to only provide Delivery service from the applicable Retail Establishment and not offer the sale of Cannabis or Cannabis Products on the premises of the Retail Establishment.~~

~~(V) All Cannabis Delivery vehicles shall:~~

~~1. Be equipped with, and utilize, a vehicle alarm system.~~

~~2. Have and utilize a direct communication system with the related Retail Establishment.~~

~~3. Keep all Cannabis and Cannabis Products in a secure and locked container.~~

~~4. Have an internal partition between the driver and all passengers from the Cannabis and Cannabis Products storage containers that prevents access by the driver and passengers to all cannabis products from inside the vehicle.~~

~~5. Not carry more Cannabis and Cannabis Products than allowed by State and local Law and required to fulfill all immediate Delivery requests.~~

(N) Cannabis Distribution:

- 1. Purpose.** The purpose and intent of this Section is to permit and regulate the Distribution of Cannabis and Cannabis Products between Cannabis Permittees in order to promote the health, safety, morals, and general welfare of the residents and businesses within the City. The City is authorized to regulate this activity pursuant to the MCRSA and AUMA.
- 2. Scope; Medical and Adult Use Cannabis.** This Section permits and regulates the Commercial Cannabis Activity of Distribution of medical Cannabis and Cannabis Products pursuant to State Law, including MCRSA, and the Commercial Cannabis Activity of Distribution of Adult Use Cannabis and Cannabis Products pursuant to State Law, including AUMA. Subject to the terms of this Chapter, Distribution Permits may be issued by the City for the Distribution of medical Cannabis and Cannabis Products pursuant to and in

accordance with State Law, including MCRSA. Subject to the terms of this Chapter, Distribution Permits may be issued by the City for the Distribution of Adult Use Cannabis and Cannabis Products pursuant to and in accordance with State Law, including AUMA.

3. Distribution of Cannabis and Cannabis Products is a conditionally permitted use only on properties within the applicable Permit Zone.
4. Distribution activities includes the receiving and releasing of Cannabis and Cannabis Products for inspection, Testing, and quality assurance, as required under applicable State Law and such other activities as are permitted pursuant to State Law as amended.
5. Except for non-Distribution Activities, such as Transportation, Distribution activities at the applicable Cannabis Premises shall not exceed the square footage authorized for such Distribution Activities pursuant to the applicable CUP.
6. A Distribution Permittee shall only Distribute or Transport Cannabis and Cannabis Products between Cannabis Permittees or to facilities or portions of facilities wholly controlled by such Distribution Permittee to the extent permitted by State Law.
7. A Distribution Permittee shall inspect all Cannabis and Cannabis Products received by it for quality assurance prior to Distributing to any Cannabis Permittee, as required under applicable State Law.
8. In addition to the application requirements in Section (F), a Distribution Permittee shall register with the City each location within the City where Cannabis and Cannabis Products are stored for purposes of Distribution activities within the City.
9. A Distribution Permittee shall Distribute Cannabis and Cannabis Products to Cannabis Permittees only after such Cannabis and Cannabis Products have been inspected and quality tested in accordance with applicable State Law, including MCRSA and AUMA.
10. A Distribution Permittee may also hold any other Permit type to the extent permitted by State Law. To the extent permitted by State law, a Distribution Permittee that also holds another Permit type may self-distribute its Cannabis Products.

(O) Cannabis Transportation:

1. **Purpose.** The purpose and intent of this Section is to permit and regulate the Transportation of Cannabis and Cannabis Products between Cannabis Permittees in order to promote the health, safety, morals, and general welfare of the residents and businesses within the City. The City is authorized to regulate this activity pursuant to the MCRSA and AUMA.
2. **Scope; Medical and Adult Use Cannabis.** This Section permits and regulates the Commercial Cannabis Activity of Transportation of medical Cannabis and Cannabis Products pursuant to State Law, including MCRSA, and the Commercial Cannabis Activity of Transportation of Adult Use Cannabis and Cannabis Products pursuant to State Law, including AUMA. Subject to the terms of this Chapter, Transportation Permits may be

issued by the City for the Transportation of medical Cannabis and Cannabis Products pursuant to and in accordance with State Law, including MCRSA. Subject to the terms of this Chapter, Transportation Permits may be issued by the City for the Transportation of Adult Use Cannabis and Cannabis Products pursuant to and in accordance with State Law, including AUMA.

3. Transportation of Cannabis and Cannabis Products within the City is a conditionally permitted use only on properties within the applicable Permit Zone.
4. Transportation activities includes the Transportation of Cannabis and Cannabis Products between Cannabis Permittees.
5. A Transportation Permittee shall only Transport Cannabis and Cannabis Products between Cannabis Permittees or to facilities or portions of facilities wholly controlled by such Distribution Permittee to the extent permitted by State Law.
6. In addition to the application requirements in Section (F), a Transportation Permittee shall register with the City each location within the City where Cannabis and Cannabis Products are stored for purposes of Transportation within the City.

(P) Cannabis Testing

1. **Purpose.** The purpose and intent of this Section is to permit and regulate the Testing of Cannabis and Cannabis Products prior to the retail sale of such products to the public in order to promote the health, safety, morals, and general welfare of the residents and businesses within the City. The City intends to be on the forefront of medical Cannabis research and Testing. The City is authorized to regulate this activity pursuant to the MCRSA and AUMA.
2. **Scope; Medical and Adult Use Cannabis.** This Section permits and regulates the Commercial Cannabis Activity of Testing of medical Cannabis and Cannabis Products pursuant to State Law, including MCRSA, and the Commercial Cannabis Activity of Testing of Adult Use Cannabis and Cannabis Products pursuant to State Law, including AUMA. Subject to the terms of this Chapter, Testing Permits may be issued by the City for the Testing of medical Cannabis and Cannabis Products pursuant to and in accordance with State Law, including MCRSA. Subject to the terms of this Chapter, Testing Permits may be issued by the City for the Testing of Adult Use Cannabis and Cannabis Products pursuant to and in accordance with State Law, including AUMA.
3. Testing of Cannabis and Cannabis Products is a conditionally permitted use only on properties within the applicable Permit Zone.
4. Each Cannabis Premises for Testing must employ at least one (1) full time quality control personnel.
5. Testing Permittees must operate, and all Cannabis and Cannabis Products must be properly tested by Testing Permittees, in accordance with applicable State Law, including but not

limited to, Business and Professions Code Sections 19342, 19343, 19344, 19345 and/or Chapter 10, commencing with Section 26100, of Division 10 of the Business and Professions Code (or any successive provisions).

6. All Testing devices used by a Testing Permittee must be UL listed, or otherwise approved for the intended use by the City's Building Official, the Fire Department or other person designated by the City Manager.
7. Each Testing Permittee must notify the State Department of Public Health and the City Manager, or the City Manager's designee, within one business day after the receipt of notice of any kind that its accreditation has been denied, suspended, or revoked.

(Q) Taxation

[Alternative 1 – Gross Tax Option]

1. Pursuant to Measure [____], approved by the voters of the City on [____], the City Council is authorized to impose excise taxes, with no termination date, on each Commercial Cannabis Activity Business Licensed or Operating Within the City in an amount of not more than **[four (4) percent]** of the gross receipts earned within the City.
2. The excise tax shall initially be set at the following rates:
 - a. two percent (2%) on Gross Receipts for Manufacturing Permittees.
 - b. two percent (2%) on Gross Receipts for Cultivation Permittees.
 - c. two percent (2%) on Gross Receipts for Retail Permittees.
3. To the extent a City Permittee holds more than one type of City Permit for Commercial Cannabis Activities which are subject to excise taxes pursuant to this Section, the excise tax applicable to a City Permit type shall only apply to that portion of such City Permittee's Commercial Cannabis Activity which is authorized by the applicable City Permit type. So, for example, if a City Permittee holds a Manufacturing Permit and a Cultivation Permit, the excise tax applicable to Cultivation Permittees shall only apply to the portion of such City Permittee's Commercial Cannabis Activities which are deemed Cultivation at its applicable Cannabis Premises, and the excise tax applicable to Manufacturing Permittees shall only apply to the portion of such City Permittee's Commercial Cannabis Activities which are deemed Manufacturing at its applicable Cannabis Premises.
4. If more than one Cannabis Permittee operates on the Cannabis Premises, each Cannabis Permittee shall be responsible for paying the pro-rata portion of the tax based on the Square Footage such Cannabis Permittee utilizes.
5. The excise taxes due pursuant to this Section shall be due and payable on a calendar quarterly basis within thirty (30) days following the end of the applicable calendar quarter.

Failure to pay excise taxes in a timely manner may result in the suspension of the applicable City Permit until such time as the excise taxes have been paid.

6. In connection with the payment of excise taxes pursuant to this Section, each City Permittee shall provide sufficient books and records to reasonably justify the calculation of Gross Receipts to which the excise tax is applicable.
7. The tax may be lowered or increased to not more than four (4) percent of Gross Receipts by a majority vote of the City Council.

[Alternative 2 – Flat Fee Option]

1. Pursuant to Measure [____], approved by the voters of the City on [____], the City Council is authorized to impose a flat operating fee on each Cannabis Permittee, with no termination date, on each Commercial Cannabis Activity Business Licensed or Operating Within the City in an amount of not more than ten dollars (\$10.00) per Square Foot.
2. For purposed of this Section **(Q)**, “**Square Foot**” or “**Square Footage**” means the area within each Cannabis Premises used for Commercial Cannabis Activity, measured in square feet, deducting therefrom driveways, sidewalks, landscaping, vacant unused space, areas used exclusively for office space, employee break rooms, restrooms, and storage space unrelated to the Commercial Cannabis Activity (such as a janitorial closet).
3. Every person engaged in Commercial Cannabis Activity in the City shall pay an annual business operations tax as follows: fifteen dollars (\$15.00) per Square Foot for the first three thousand (3,000) square feet, and seven (\$7.00) per Square Foot for each additional square foot thereafter.
4. If more than one Cannabis Permittee operate on the Cannabis Premises, each Cannabis Permittee shall be responsible for paying the pro-rata portion of the tax based on the Square Footage such Cannabis Permittee utilizes.
5. The fees due pursuant to this Section shall be due and payable on a calendar quarterly basis within thirty (30) days following the end of the applicable calendar quarter. Failure to pay excise taxes in a timely manner may result in the suspension of the applicable City Permit until such time as the excise taxes have been paid.
6. In connection with the payment of the fees pursuant to this Section, each City Permittee shall provide sufficient books and records to reasonably justify the calculation of Gross Receipts to which the excise tax is applicable.
7. The tax may be lowered or increased to not more than twenty-five dollars (\$25.00) per Square Foot by a majority vote of the City Council.

[Alternative 3 – Hybrid Flat Fee for Cultivation/ Excise Tax]

1. Pursuant to Measure [____], approved by the voters of the City on [____], the City Council is authorized to impose excise taxes, with no termination date, on each Commercial Cannabis Activity Business Licensed or Operating within the City in an amount of not more than [two (2) percent] of the gross receipts earned within the City.
2. For proposes of this Section (Q), the following terms have the following meanings:
 - a. "Square Foot" or "Square Footage" means the amount of Canopy area for Cultivation authorized pursuant to a Cultivation Permit and CUP issued to a Cultivation Permittee. If a Cultivation Permittee can demonstrate to the City Manager or City Manager's designee that the full Canopy authorized pursuant to the Cultivation Permit and CUP is not being utilized, the unutilized Canopy may be deducted from a Cultivation Permittee's Cultivation Tax liability.
 - b. "Canopy" means all areas where Cultivation occurs, inclusive of all vertical planes. Canopy need not be contained to a single parcel of land in determining the total square footage that will be subject to tax under this Chapter. Canopy does not include space used for the storage of fertilizers, pesticides or other products, quarantine, office space, or any ancillary structures not used for Cultivation.
 - c. "Cultivation Tax" means the excise tax due pursuant to this chapter for engaging in Cultivation in the City.
3. Every Cultivation Permittee shall pay an annual Cultivation Tax at either of the following rates:
 - a. \$15.00 per square foot of cultivation area; or
 - b. One (1) percent on Gross Receipts.
4. The Cultivation Tax shall not exceed two (2) percent of a Cultivation Permittees Gross Receipts.
5. The excise tax for Commercial Cannabis Activity other than Cultivation shall initially be set at the following rates:
 - a. One (1) percent on Gross Receipts for Manufacturing Permittees.
 - b. One (1) percent on Gross Receipts for Retail Permittees.
6. To the extent a City Permittee holds more than one type of City Permit for Commercial Cannabis Activities which are subject to excise taxes or fees pursuant to this Section, the excise tax applicable to a City Permit type shall only apply to that portion of such City Permittee's Commercial Cannabis Activity which is authorized by the applicable City Permit type. So, for example, if a City Permittee holds a Manufacturing Permit and a Cultivation Permit, the fees applicable to Cultivation Permittees shall only apply to the portion of such City Permittee's Commercial Cannabis Activities which are deemed

Cultivation at its applicable Cannabis Premises, and the excise tax applicable to Manufacturing Permittees shall only apply to the portion of such City Permittee's Commercial Cannabis Activities which are deemed Manufacturing at its applicable Cannabis Premises.

7. The excise taxes and fees due pursuant to this Section shall be due and payable on a calendar quarterly basis within thirty (30) days following the end of the applicable calendar quarter. Failure to pay excise taxes or fees in a timely manner may result in the suspension of the applicable City Permit until such time as the excise taxes have been paid.
8. In connection with the payment of excise taxes and fees pursuant to this Section, each City Permittee shall provide sufficient books and records to reasonably justify the calculation of Gross Receipts to which the excise tax or fees are applicable.
9. The tax may be lowered or increased to not more than two (2) percent of Gross Receipts by a majority vote of the City Council.

SECTION 6. Recognizing that there is a potential conflict between federal and State law, it is the Planning Commission's intention that this Ordinance shall be deemed to comply with applicable State Law.

SECTION 7. The Planning Commission determines that it is in the best interest of the residents of the City to allow Commercial Cannabis Activities in compliance with applicable State Law, including AUMA and MCRSA, to be established and operated as permitted uses within certain areas of the City subject to the regulations and restrictions provided in this Ordinance. It is the Planning Commission's intention that nothing in this Ordinance shall be construed to:

10. Allow a Person to engage in conduct that endangers others or causes a public nuisance.
11. Allow any activity relating to Cannabis that is otherwise not permitted under State law.

SECTION 8. If any section or provision of this Ordinance is for any reason held to be invalid, unconstitutional, illegal, or unenforceable by any court of competent jurisdiction, or contravened by reason of any preemptive legislation, then such section or provision shall be severed and shall be inoperative, and the remainder of this Ordinance shall remain in full force and effect.

SECTION 9. By regulating Commercial Cannabis Activity, the City is only undertaking to preserve the general welfare through implementing the MCRSA and AUMA. The City Council is not assuming, nor is it imposing on its officers and employees, an obligation for which a breach thereof would expose the City to liability in money damages to any Person who claims that such breach proximately caused injury. To the fullest extent permitted by law, the City shall assume no liability whatsoever, and expressly does not waive sovereign immunity, with respect to any provision of this Ordinance or for the activities of any City Permittee. To the fullest extent permitted by law, any actions taken by a public officer or employee under the provisions of this Ordinance shall not become a personal liability of any public officer or employee of the City. Nothing in this Ordinance shall be deemed or considered in any respects to constitute authorization to violate any law.

Ordinance No. _____

October 4, 2017

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BE IT FURTHER RESOLVED that a copy of this Resolution be delivered forthwith by the City Clerk to the City Council of the City of Taft.

PASSED AND ADOPTED on this 4th day of October, 2017.

ATTEST

Chelsi Perry, Recording Secretary

Ron Orrin, Chairman

CERTIFICATION

I, Chelsi Perry, hereby certify that the foregoing resolution was passed and adopted by the Planning Commission of the City of Taft at a specially scheduled meeting held on the 4th day of October, 2017, by the following vote

AYES:

NOES:

ABSENT:

ABSTENTIONS:

Chelsi Perry, Recording Secretary